

# SUBSTANTIVE AGREEMENT

BETWEEN

NESTLÉ SOUTH AFRICA (PTY) LTD  
(hereinafter referred to as the Company)

AND

FOOD ALLIED WORKERS UNION  
(hereinafter referred to as the Union)

AND

(COLLECTIVELY REFERRED TO AS THE PARTIES)

## 1. SCOPE

This agreement is applicable to all permanent full time employees of the Company who are members of the Union, in Peromnes Grades 12-17 at both Nestlé Purina Isando and Ndabeni factories.

The terms and conditions of employment not amended by this agreement shall remain in force.

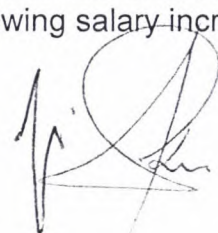
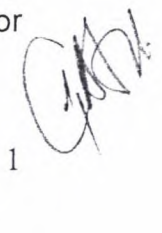
## 2. PERIOD OF AGREEMENT

This agreement covers a period of three years, commencing on 01 January 2012 and terminate on 31 December 2014.

The parties agree that they would not make any further substantive/wage proposals on each other in respect of salaries/wages, terms and conditions of employment during the currency of this agreement.

## 3. SALARIES/WAGES

The Company agrees to grant all union members in Peromnes Grades **12 to 17** at Nestlé Purina Isando and Ndabeni factories the following salary increases for the period of three years:

  
PTE 1 

| Type                | Year One (1 January 2012) | Year Two (1 January 2013) | Year Three (1 January 2014) |
|---------------------|---------------------------|---------------------------|-----------------------------|
| Guaranteed increase | 6%                        | 6%                        | 7%                          |
| Variable Pay        | 2%                        | 3%                        | 3%                          |
| Gap Closure         | 1%                        | 1%                        | 0%                          |

The parties further agree that in the event that the official **average** inflation rate (Headline CPI) is equal to or higher than 10% for the 12 months ending 31 December 2012 and 2013 respectively, the parties agree to re-open negotiations on wages only for the following year. All other terms of this agreement will remain in force.

The re-opening of the negotiations on wages specified above, if applicable, will be undertaken immediately following the publication of the official Headline CPI figure for December 2012 and 2013 as the case may be, thus enabling the calculation of the average Headline CPI for the 12 months ending 31 December 2012 and 2013 respectively.

Frequent updates will be provided to the workforce on variable pay performance.

#### 4. EMERGENCY LOAN

Company commits to raise the Union's proposal to increase the repayment period of 3 months to six months with the HR Committee for consideration. Company further commits to advise the NCF meeting of the outcome.

#### 5. DOUBLE PAY FOR SATURDAY WORK

The parties agree that if the majority of hours fall on a Sunday, a Sunday rate shall apply as per the Basic Conditions of Employment Act, 75 of 1997.


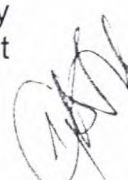
#### 6. SHIFT ALLOWANCES

The parties agree to pay shift allowances as follows:

- Afternoon shift: 17.5% of basic salary; and
- Night shift: 22.5% of basic salary.

#### 7. LABOUR BROKERS

Subject to suitable candidates being found within a reasonable time, the parties agree that vacant positions that are permanent in nature shall be filled by permanent appointments. First preference to be given to Nestle permanent employees.

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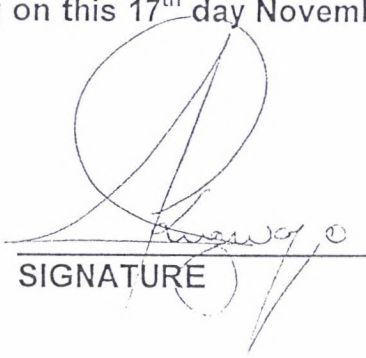
## 8. JOB GRADING

All jobs to be evaluated; graded and correctly placed (positioned) by end February 2012.

Signed at Isando Purina factory in Gauteng on this 17<sup>th</sup> day November 2011.

### SIGNATURES:

FOR THE COMPANY:

  
SIGNATURE

WITNESS: 

WITNESS: 

FOR THE UNION:

  
SIGNATURE

WITNESS: 

WITNESS: 